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SUBJECT: DSI RAID NETS THAILAND'S LARGEST CD SEIZURE

¶1. (SBU) On May 7, a Department of Special Investigations (DSI) team hit a major distributor of pirated optical discs outside of Bangkok, netting over 500,000 CDs and DVDs valued at over 50 million baht (USD 1.5 million). The raid was the largest haul of optical discs in DSI's six-year history and larger in terms of items seized than any other previous police seizure as well. DSI's investigators said their most significant seizure to date had scooped up only 100,000 CDs. DSI concluded that their target had been one of the largest distributors of pirated discs in Thailand, though rights holders say other pirate operations are even more substantial.

¶2. (SBU) The distribution center consisted of three separate buildings, including an office for order taking, a warehouse and a separate packing and shipping facility. DSI suspected that much of the merchandise was sourced from Malaysia as they discovered invoices and price lists in Malaysian ringgit, though they were not able to determine whether the discs were actually manufactured in Malaysia. Officers arrested a man at the warehouse suspected of being the general manager of the compound. DSI is pursuing an arrest warrant for another individual listed in property records as the owner of the three buildings that made up the distribution center.

¶3. (SBU) DSI's Director of IP Crime, Police Colonel Naras Savestanan, said that many of the seized CDs had been already packaged and addressed for delivery to retail sellers of bootleg music and movies in the tourist areas of Pattaya, Phuket and Ko Samui. As all the discs seized were of Western origin and the movies were without subtitles, DSI concluded that the distributor's primary market was the foreign tourist trade.

DSI back in action?

¶4. (SBU) This latest raid marks DSI's belated return to IP enforcement. Created in 2002 as an investigatory body similar to the FBI, DSI was tasked with undertaking in-depth investigations into large-scale crimes, with a special section for intellectual property crimes. However, after the September 2006 military coup, many of DSI's 60 IP officers were pulled away for other unrelated investigations and reassigned. Most of the current investigators are new to the IP section.

¶5. (SBU) Dr. Naras said DSI's IP investigations had been hampered by a change in policy on valuation of seized merchandise. DSI only undertakes investigations of economic crimes with a value of more than 500,000 baht (USD 15,000). In the past, the value of pirated material was calculated on the basis of the value of the genuine product (meaning a few fake Rolexes could put a case into DSI's hands), but was now calculated on the value of the counterfeit merchandise. For CD's, an investigation would need to expect at least a 5000 CD seizure to warrant DSI involvement. Naras said the new policy had lessened the number of cases DSI could investigate.
JOHN